GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:733
ANSWERED ON:17.05.2000
SUBSIDIES TO FARMERS
HARIBHAI PARTHIBHAI CHAUDHARY;RAJO SINGH

Will the Minister of AGRICULTURE be pleased to state:

(a) the direct and indirect subsidies being provided to the farmers alongwith the annual assessment of their impact during the last three years, State-wise;

(b) the subsidies which are extended to the small and marginal farmers and comparatively weaker sections of the farming community;

(c) whether any study has been conducted to ascertain whether such subsidies reach the targetted farmers;

(d) if so, the outcome thereof; and

(e) the steps taken by the Government to ensure that the subsidies actually reach the targetted farmers?

Answer

MINISTER OF AGRICULTUR (SHRI SUNDAR LAL PATWA)

(a) to (e): A statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO.733 TO BE ANSWERED ON TH 17th May, 2000 IN THE LOK SABHA.

(a) to (e): The major subsidies being provided to the farmers are in terms of subsidised prices of fertilizers, lower irrigation and power charges and subsidies on seeds and farm machinery etc. A statement showing the details of subsidies provided to Agriculture Sector during the last three years as compiled by the Central Statistical Organisation (CSO) is placed at Annexure I.These subsidies have enabled the farmers in acquiring inputs at affordable prices and thus helped in enhancing the agricultural production. The State-wise irrigation subsidies compiled by the CSO for the last three years i.e. 1996-97 to 1998-99 is placed at Annexure II.The CSO have informed that the State-wise details of other components of subsidies are not being compiled by them. The Government have not conducted any study so far to ascertain the impact or the benefit of subsidies reaching the targetted farmers. However the Institute of Economic Growth, Delhi, I.I.M., Ahmedabad and Institute of Social and Economic Change, Bangalore were asked in January, 2000 to carry out studies on the subject. The studies are yet to be completed. The Central Government is implementing several schemes for providing subsidies/incentives to the small and marginal farmers and comparatively weaker sections (SC/ST) of the farming community. These include subsidies on sprinkler irrigation system, drip irrigation, supply of improved farm implements for promoting agriculture mechanisation amongst small farmers etc. Regular monitoring of these schemes is carried out in order to ensure that the benefits of subsidies actually reach the targetted farmers.

ANNEXURE-I

DETAILS OF SUBSIDIES TO AGRICULTURE SECTOR

(Rs. Crores)

Sl.No.	Item	1996-97 (Actuals)	1997-98 (Actuals)	1998-99 (Actuals)	1999-200(Revised)
	Subsidy to Agriculture Sector through inputs				
1.	Fertiliser (Total)	7578	9918	11596	13250

2.Electricity++	8356	6210	N.A.	N.A.
3.Irrigation##	9155	10322	10880+	N.A.
4.Other subsidies given to marginal farmers in the form of seeds, development of oil seeds, pulses and farmers co-operative societies etc.	879	1086	N.A.	N.A.

Source : 1. Fertilisers: Expenditure Budget 2000-2001, Vol.I of Central Government.
2. Electricity and Irrigation: Central Statistical Organisation.

Note N.A. : Not Available.

++ Electicity includes all subsidies to Electricity Boards and Corporations . Separate estimates of electricity subsidy accountable xclusively to agricultural sector is not available.

The rates for supply of water to farmers are kept low as a matter of policy, resulting in losses to the Government irrigation system. The excess of operating costs over the grow revenue is treated as imputed irrigation subsidy.

+ Quick estimate

ANNEXURE-II

STATE-WISE ESTIMATES OF (IMPUTED) IRRIGATION SUBSIDIES @

(Rs. Lakhs)

S.No.	State/UT	1996-97 (Actuals)	1997-98 (Actuals)	1998-99 (RE)
1.	Andhra Pradesh	87782	104439	113883
2.	Arunachal Pr.	423	697	365
3.	Assam	2027	2024	4732
4.	Bihar	18063	15069	31532
5.	Goa	828	971	1350
6.	Gujarat	82471	92443	51237
7	Haryana	20021	23390	42283
8.	Himachal Pr.	3026	3517	3786

9. Jammu & Kashmir 6309 6024 8496
10. Karnataka 46317 53009 51770
11. Kerala 6817 6652 10363
12. Madhya Pradesh 16254 20728 13037
13. Maharashtra 125822 144367 95447
14. Manipur 280 390 522
15. Meghalaya 430 639 767
16. Mizoram 152 143 187
17. Nagaland 361 527 632
18. Orissa 4724 7012 7905
19. Punjab 13020 15364 16280
20. Rajasthan 37513 41034 54904
21. Sikkim 143 141 191
22. Tamil Nadu 24000 29146 36758
23. Tripura 1341 1387 1002
24. Uttar Pradesh 107412 111514 123639
25. West Bengal 23128 28392 42557
26. Pondicherry 393 641 714
27. Delhi 280 403 466
Total 629337 710063 714805
28. Centre 126 126 166
Grand Total++ 629463 710189 714971

RE Revised Estimates.

@ The rates for supply of water to farmers are kept low as a matter of policy, resulting in losses to the Government irrigation system. The access of operating costs over the gross revenue is treated as imputed irrigation subsidy.

++ The imputed irrigation subsidy at the National level includes consumption of fixed capital - estimates of which are not available at the State level.